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February 1, 1999

### BY HAND DELIVERY

Ms. Magalie Roman Salas Secretary Federal Communications Commission Portals II 445 Twelfth Street, S.W. Washington, D.C. 20554

**EX PARTE** 

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Re:

Application of SBC Communications, Inc. and Ameritech Corporation for Authority To Transfer Control of Certain Licenses and Authorizations, CC Docket No. 98-141 – Notice of Ex Parte Presentation

Dear Ms. Salas:

Pursuant to Section 1.1206(b) of the Commission's rules, Ameritech Corporation ("Ameritech") hereby submits this notice of an oral ex parte presentation in the above-referenced permit-but-disclose proceeding. On January 29, 1999, Lynn Starr, Jason Weller, Susan Modesto and Ron Edgar of Ameritech, and Antoinette Cook Bush of Skadden, Arps, Slate, Meagher & Flom LLP met with staff members of the Common Carrier Bureau and the Office of Plans and Policy identified below and gave a presentation on the Requests for Proposals received by Ameritech. A copy of the presentation is attached.

> No. of Copies rec'd ( List ABCDE

Ms. Magalie Roman Salas February 1, 1999 Page 2

Copies of this Notice of Ex Parte Presentation have been provided to staff members identified below and served on each known party to this proceeding. An original and one copy also have been submitted to the Secretary's Office.

Respectfully submitted,

Antoinette Cook Bush Counsel for Ameritech

cc: Radhika Karmarkar, Common Carrier Bureau (CCB)

Bill Dever, CCB

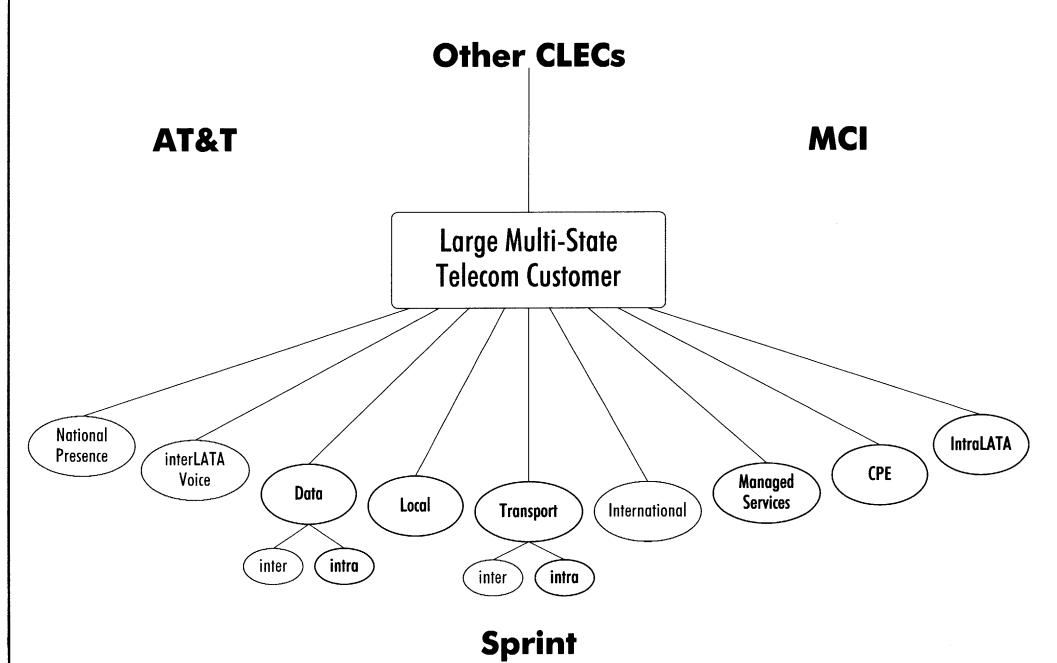
Audrey Wright, CCB

Marilyn Simon, FCC, Office of Plans and Policy (OPP)

Pamela Megna, OPP Johnson Garrett, OPP

# **Multi-State RFP Competitive Environment**

When large multi-state customers think of vendors who can meet their telecom needs they think of what they call "Tier 1" providers, namely AT&T, MCI/Worldcom and Sprint.



RBOCs are often considered a "Tier 2" provider in the customer's mind. They feel we can provide some of the services but not all. They often recommend that we "work with" the Tier 1 provider to save remaining business.

Large Multi-State
Telecom Customer



**RBOCs** 

National presence
InterLATA Voice
InterLATA data
InterLATA transport
International

Sophisticated customers know this.

# Our experience with RFPs is growing but doesn't tell the whole story

- We often don't receive RFPs
- Don't always know where businesses went.
   Customer not bound to explain why not.
- When we do receive an RFP, often don't even know if other services are on the table.
- Many losses occur without traffic ever being put out to RFP.

# Examples of Large Customer Competitive Conditions

- Large international oil producer
  - Limited RFP to Tier 1 wouldn't even provide AIT the RFP!
  - Named national coverage as a requirement
  - Tier 1 bid winner threatened higher price if customer made any carve out for AIT
- Large automobile manufacturer
  - Tier 1 IXC/local offered free local service for 6 months to strengthen LD position with customer (loss leader)

# **Examples Continued...**

# Large growing multi-state bank

- Selected Tier 1 IXC/local for national business
- Company based in Midwest
- Sought primary (single) telecom carrier
- Business lost to provider who could offer national services including managed services
- AIT currently negotiating with Tier 1 supplier to get subcontracting business

# Global appliance manufacturer

- Granted SONET and T-1 business (AIT strength) to Tier 1
- Customer unwilling to take a change on purely local carrier
- Perceive AIT as having boundaries

### CERTIFICATE OF SERVICE

This is to certify that the attached document has been served by first class mail,

postage prepaid, on this 1st day of February, 1999, on the following:

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